

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6151

BILL NUMBER: HB 1311

NOTE PREPARED: Nov 15, 2004

BILL AMENDED:

SUBJECT: PERF Military Service Credit.

FIRST AUTHOR: Rep. Grubb

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill grants up to two years of service credit for active duty service in the United States armed forces to a member of the Public Employees' Retirement Fund: (1) who completes at least 20 years of full-time employment with the state; and (2) whose average annual compensation does not exceed \$50,000.

Effective Date: July 1, 2005.

Explanation of State Expenditures: The additional costs to the state and local units with PERF-covered employees will depend upon the number, the age, and the salary level of employees eligible for the military service credit. The actuary for PERF has estimated that the value of one year of PERF service for those age 50 and above is approximately 10% of the person's salary. If the average annual compensation does not exceed \$50,000, the maximum allowable annual compensation, the value per individual is estimated at \$5,000 per year, or \$10,000 maximum for the two years.

Explanation of State Revenues:

Explanation of Local Expenditures: See *Explanation of State Expenditures*.

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund.

Local Agencies Affected: Those units with members in PERF.

Information Sources: Doug Todd of McCready & Keane, Inc., actuaries for PERF, 317-576-1508.

Fiscal Analyst: James Sperlik, 317-232-9866.